

Statement of
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United States Department of Agriculture

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Committee on Resources
Subcommittee on Energy and Mineral Resources
United States House of Representatives

Oversight Hearing on "Proposed Federal Mining Policy Changes and their Effect on the Mining Industry
and State and Local Revenues"

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at the Riverpoint Higher Education Park
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Spokane, Washington

CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

Thank you for the opportunity to speak with you today on mining on national forest system lands. I am Kimberly Bown, Director of Recreation, Lands and Minerals for the Pacific Northwest Region of the Forest Service, headquartered in Portland, Oregon. I am pleased to be here, along with Chuck Wassinger, Bureau of Land Management (BLM) Oregon Associate Director, United States Department of the Interior.

Mining on National Forest System Lands

The Forest Service is responsible for managing the surface resources and ensuring protection of the environment on national forest system lands. For a mining proposal on national forest system lands, the Forest Service is the lead agency in completing the National Environmental Policy Act (NEPA) analysis and approving the proposal. If the project also directly involves BLM managed lands, then BLM is involved in the review and approval of the proposal to mine. The BLM has jurisdiction over mineral patenting, and manages the mining claim recordation process and the collection of fees which BLM uses for its minerals management.

Administration of mining activities is an important part of the Forest Service's minerals and geology program. We believe that facilitating minerals development on national forest system lands, within the limits of the land, can be important to the economies and sustainability of local communities. Presently there are approximately five million acres leased for oil and gas, over 150,000 mining claims, about 7,000 mineral material pits and quarries, over 1,300 new operations proposed each year--(approximately 100 of which are in Oregon or Washington--), and more than 22,000 operations to monitor and inspect. The largest coal mine in the United States is on national forest system lands. Much of the nation's phosphate and lead production comes from national forest system lands, as well as numerous minerals

important to pollution control and computer technology, including the only production of platinum or paladium in the United States. The value of all energy and mineral production exceeds \$2 0 billion per year. Annual revenues are about \$150 million, and 25-50 percent of this is returned to the states where production occurs. Examples of resources produced annually from national forest system lands include:

- 10 million barrels of oil
- 250 billion cubic feet of gas
- 115 million tons of coal
- 500 million pounds of lead
- 200 million pounds of copper
- 11 million ounces of gold
- 20 million tons of sand and gravel

All of this activity occurs, and all of the economic and social benefits are obtained, in a manner that ensures ecosystem health and sustainability by requiring appropriate design, mitigation, and reclamation practices, and by monitoring operations to ensure compliance with environmental protection measures.

I will focus my remarks today on two areas: permitting and fees for mining as they apply to public domain lands within the national forest system. Note that for acquired lands, such as for forests in the east, the processes are different. As primary authority for the mining law, the Department of the Interior representative will speak for the Administration on other issues.

Permitting Process

Under our surface mining regulations, either a plan of operations (Plan) or a notice of intent (Notice) must be submitted for all activities on a mining claim except those without off road vehicle use and those that will not cause significant surface resource disturbance. A Plan is required for activities that will likely cause "significant" surface disturbance, such as road building. A Notice is required for less disturbing operations. A Plan requires Forest Service approval, a Notice does not.

The Plan describes the operations including access routes and other activities authorized by the United States mining laws that will be off the claim but still involve national forest system lands. The Plan also specifies how the operators will meet regulatory requirements for the protection of air, water, fish and wildlife habitat, and scenic values, solid waste disposal, road maintenance, erosion control, and reclamation. Operators are required to comply with all applicable federal and state standards.

Depending on the size of the proposed operations and the environmental issues, either an environmental assessment (EA) or an environmental impact statement (EIS) is prepared under the National Environmental Policy Act (NEPA) before a plan of operations is approved. These analyses involve substantial coordination with other state, federal, and county agencies, and provide extensive opportunity for input from individuals, associations, and groups.

Following completion of the NEPA document, the Plan customarily is either approved as submitted or approved with modifications. After the NEPA decision approving the plan of operations, the public has the right to question the decisions through appeals and litigation. A bond adequate to cover the full cost of reclamation is required.

If unanticipated significant disturbance of surface resources develops we can require an operator to submit a modified Plan. This is processed in the same manner as an original Plan. Also, at any time an operator wants to change or expand the operations described in a Plan, the operator can submit an additional Plan or a proposed modification of the original Plan which is processed in the same manner as an original Plan.

The environmental analysis and permitting process for a large mine can cross several jurisdictional boundaries (federal state and local) and can take several years. On national forest system lands, the Forest Service is usually the lead agency for compliance with the National Environmental Policy Act (NEPA) requirements. However, the list of cooperating agencies can be quite extensive, including several federal, state and local entities. The Forest Service works to complete the analysis and permitting process as quickly and efficiently as possible. We do this in cooperation with the states. We have formal agreements with most western states outlining the process we follow to streamline and avoid duplication whenever possible.

Hard Rock Mining Fees

The Forest Service itself does not require fees for exploration or development of minerals under the 1872 Mining Law. There is a mining claim maintenance fee of \$100 per year with certain exceptions that goes to a fund with the Bureau of Land Management. We do collect, as required by law, fees for special uses of national forest system lands not authorized by the United States mining laws, such as linear rights-of-way fees for cross country electrical powerlines or pipelines to the mine sites. Although there are no fees charged by the Forest Service, mining companies often choose to collect environmental data and conduct analyses of environmental effects in order to augment or speed the efforts of the Forest Service funded by appropriated dollars.

This concludes my prepared remarks. I would be pleased to answer any questions you may have.